

CENTRAL INTELLIGENCE AGENCY  
Intelligence Information Cable

• ROUTINE

IN 38113

20j

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CITE

DIST 26 JUNE 1968

EO 12958 3.4(b)(1)>25Yr  
(C)

COUNTRY CHINA

DOI MID - MARCH - 18 MAY 1968

SUBJECT ECONOMIC DISLOCATION IN CHUNGKING  
FOLLOWING WEEKS OF SERIOUS FIGHTING.

ACQ

SOURCE

LBJ LIBRARY  
Mandatory Review  
Case # NLJ 01-285  
Document # 20j

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(SUMMARY. THE SERIOUS FIGHTING WHICH RAGED IN CHUNGKING FROM MID-MARCH TO EARLY MAY WAS BROUGHT UNDER CONTROL WHEN THE PLA INTERVENED AND CONFISCATED THE WEAPONS PREVIOUSLY SEIZED FROM THE MILITARY BY THE WARRING FACTIONS. BY 18 MAY, A SEMBLANCE OF ORDER HAD BEEN RESTORED IN THE CITY, AND WAS BEING MAINTAINED BY ARMED MILITARY PATROLS. THERE REMAINED, HOWEVER, THE LEGACY OF THE FIGHTING: DAMAGED PLANTS, CLOSED SCHOOLS, AND SHORTAGES OF BASIC COMMODITIES.)  
END SUMMARY.

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1.

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2. SERIOUS FIGHTING BROKE OUT [ ] AGAIN IN MID-MARCH. EXPLOITED BY EVIL ELEMENTS, THE TWO FACTIONS SEIZED WEAPONS AND AMMUNITION FROM THE LIBERATION ARMY TROOPS, AND FROM THEN ON THE CITY WAS FILLED WITH THE SOUND OF GUNFIRE. EVEN THE LIBERATION ARMY COULD NOT DO ANYTHING ABOUT IT. MARKETS AND SHOPS WERE CLOSED, AND TRAFFIC CAME TO A COMPLETE STANDSTILL IN THE CITY. ANYONE WALKING IN THE STREETS WAS LIABLE TO BE KILLED AT ANY MOMENT. FORTUNATELY, THE LIBERATION ARMY BROUGHT IN THE TWO VITAL COMMODITIES OF RICE AND COAL. AND THUS THE FOUR MILLION PEOPLE OF CHUNGKING DID NOT STARVE-- THOUGHT THE FOOD SITUATION WAS STILL PRETTY TENSE.

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3. THE MISERABLE SITUATION LASTED UNTIL THE BEGINNING OF MAY, WHEN THE CENTRAL ANNOUNCED IT WAS DETERMINED TO SETTLE THE CHUNGKING SITUATION. THE

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CENTRAL EMPOWERED THE CHUNGKING GARRISON (CHU CHUN--7465/6511) TO RETRIEVE ALL WEAPONS. AFTER THAT, THE FIGHTING CAME TO AN ABRUPT HALT. NONETHELESS, THE WEEKS OF FIGHTING BROUGHT SERIOUS DAMAGE TO MANY PLANTS, SCHOOLS, AND HOUSES.

4. THERE ARE STILL A LARGE NUMBER OF GUNS WHICH THE CHUNGKING GARRISON HAS NOT RETRIEVED. INTERMITTENT GUNFIRE CAN STILL BE HEARD, AND MURDERS AND ROBBERIES TAKE PLACE FREQUENTLY. HOWEVER, THE LIBERATION ARMY HAD PUT ON EXTRA SENTRIES AND ARMED PATROLS, AND THIS HAS MADE THE CITY SOMEWHAT SAFER FOR THE PEOPLE. ORDER IS GRADUALLY BEING RESTORED. POSTAL AND TELECOMMUNICATION SERVICES ARE RESUMING SLOWLY, AFTER BEING COMPLETELY CUT OFF SINCE MID-MARCH. POSTAL EMPLOYEES ARE STILL APPREHENSIVE ABOUT RETURNING TO WORK.

5. THE MARKET REMAINS TERRIBLE TENSE. AT PRESENT, ONE CAN ONLY BUY SOME FRESH GREENS FROM THE PEASANTS. NATURALLY, THE PRICE OF THESE GREENS HAS RISEN SHARPLY. SUCH ITEMS AS SOAP AND TOOTHPASTE ARE COMPLETELY OUT

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OF STOCK. AS FOR OUR 1968 CLOTH COUPONS, WE GUESS  
THEY WILL BE ISSUED IN THE LATTER HALF OF THE  
YEAR. WE DO NOT KNOW WHAT THE CLOTH RATION WILL BE,  
BUT I CAN TELL YOU IT WILL NOT BE ERY MUCH.

6. ALL LOCAL SCHOOLS ARE IN A STATE OF  
PARALYSIS.

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IT

IS STILL VERY DIFFICULT TO PREDICT WHETHER SERIOUS  
FIGHTING WILL RESUME, BUT I FEEL SURE THAT IF IT DOES,  
IT WILL NOT BECOME AS SERIOUS AS IT WAS IN MARCH.  
THIS IS BECAUSE THE PEOPLE HAVE A DEEP HATRED OF FIGHTING,  
AND THEY ARE ALL FOR THE LIBERATION ARMY TAKING THE  
NECESSARY MEASURES TO SAFEGUARD SECURITY.

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7. [ ] DISSEM. CINCPAC PACFLT ARPAC PACAF

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